

77-3

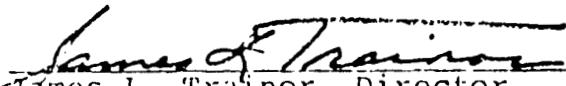
- (d) Complete, at least once annually, an audit review of all contracted HMO's. Such audit reviews shall consist of a sample medical record review concerning the adequacy of care, a review of actual provider capabilities and provider-enrollee ratios, a facility review, support service and ancillary service review, grievance procedure review, health education review, and other reviews as may be requested by IDPA and agreed to by IDPH.
- (e) IDPH will collect all utilization data from HMO programs and forward said data to IDPA and furnish IDPA with its comments regarding problems in relation to program utilization.

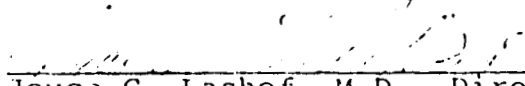
Periodically IDPH will review utilization data and information provided by the HMO. In the event that problems in enrollee utilization are identified, IDPH will provide a report outlining such problems and will provide follow-up support for IDPA if requested to further review such problems.

- (f) Complete reviews in relation to the quality of care as necessary, when severe problems occur with HMO's who have Public Aid agreements. Such reviews may be at the request of IDPA.

3. The period of this Agreement is December 1, 1976 through July 1, 1977. This agreement may be terminated at any time by either party upon giving written notice sixty (60) days in advance of the actual termination date to the other party. It is mutually agreed by and between the parties that prior to June 30, 1977, that an Agreement for the period July 1, 1977 through June 30, 1978 will be negotiated.

In witness whereof the parties hereto have agreed and signed as follows:

  
James L. Trainor, Director  
Illinois Department of Public Aid

  
Joyce C. Lashof, M.D., Director  
Illinois Department of Public Health

Illinois 2/15/77 Incorp. 4/26/77 ~~Executed~~ 12/1/76

There are no pages 6, 7, and 8 for Attachment 4.16-A

**OFFICIAL**

AGREEMENT

DEPARTMENT OF PUBLIC AID - DEPARTMENT OF PUBLIC HEALTH

FOR

UTILIZATION CONTROL

QUALITY INCENTIVE PROGRAM

MEDICAID ENROLLMENT

OFFICIAL

The Interagency Agreement identifies the responsibilities of the Illinois Department of Public Health (IDPH) and the Illinois Department of Public Aid (IDPA) for the administration and operation of the Federal and State requirements for enrollment of long term care facilities in the Medicaid program, for operation of Utilization Control, and for awarding payments to Long Term Care facilities under the Quality Incentive Program.

IDPA is the single state agency responsible for assuring that all requirements of the following Federal and State regulations have been met:

- 42 CFR Part 442, Subpart A through G
- 42 CFR 456, Subpart I
- 89 Illinois Administrative Code
  - . Subpart D, 140.525-140.529
  - . Subpart D, 140.850-140.885
  - . Subpart D, 140.900-140.906

IDPH is the state survey agency responsible for providing guidance to the single state agency on the appropriateness and quality of Medicaid services, and for determining if long term care facilities meet the licensure and certification requirements for participation in the Medicaid program.

ILLINOIS DEPARTMENT OF PUBLIC HEALTH SHALL:

- I. Conduct licensure and certification surveys of each Skilled Nursing Facility (SNF), including Skilled Nursing Facilities for Pediatric Residents (SNF/PED), Intermediate Care Facility (ICF), Intermediate Care Facility for Mentally Retarded (ICF/MR) and distinct hospital long term care units as defined below:
  - A. Determine if each SNF, ICF and ICF/MR meets the Federal requirements for participation in the Medicaid Program. Specifically, IDPH must determine to IDPA at least once during each certification period or more frequently in accordance with 42 CFR 431.610 (g) (3) whether:
    1. A SNF meets the requirements of 42 CFR Part 442, Subpart D.
    2. An ICF meets the requirements of 42 CFR Part 442, Subparts E and F.
    3. An ICF/MR meets the requirements of 42 CFR Part 442, Subparts E and G.

A-179 # 86-13 Date Rec'd 9/15/86  
Supercedes 83-17 Date Appr. 10/16/86  
In File In Date 7/1/86

-2-

**OFFICIAL**

- B. Determine whether each SNF, ICF and ICF/MR meets the minimum standards as stipulated in 77 Illinois Administrative Code, Parts 300, 350 and 390 and Nursing Home Care Reform Act of 1979, as amended.
- C. Use Federal standards and the forms, methods and procedures designated by the Health Care Financing Administration (HCFA) to determine provider eligibility and certification under Medicaid.
- D. Provide qualified staff to perform on-site inspections pursuant to 42 CFR 431.610 and 42 CFR 442, Subpart D-G and applicable Illinois rules, and as required by the Nursing Home Care Reform Act of 1979, as amended.
  - 1. IDPH staff making the recommendation that facilities meet the requirements for Medicaid participation will be the same staff responsible for making similar determinations for institutions or agencies participating under Medicare. IDPH inspectors (including those authorized by IDPH) surveying the premises of a SNF, ICF or ICF/MR will:
    - a. Complete inspection reports;
    - b. Note on completed Form HCFA 2567, Statement of Deficiencies and Plan of Correction, whether or not each requirement, for which an inspection is made, is satisfied, and
    - c. Document in HCFA required survey report forms, any "Statement of Deficiencies" and "Plan of Correction" found or corrected.
  - 2. Review and evaluate the following information as it relates to health and safety requirements:
    - a. Most current IDPA Form 2702, IOC Summary, forwarded to the appropriate IDPH Regional Office Section Supervisor pursuant to 42 CFR 456.612(c) and individual resident assessment forms (DPA 2700/2701) as requested from IDPA Regional Office.
    - b. Statements from facility payroll records that show the average number and types of personnel, in full time equivalents, on each shift during at least one week, selected by the team to occur irregularly, in each quarter.
  - 3. Take necessary action to achieve compliance or to withdraw certification.
- E. Provide written documentation that no staff performing on-site inspection shall be employed by or have any financial interest in any long term care facility.

119 # 86-13 Date Rec'd 9/15/86  
Supersedes 83-17 Date Appr. 10/16/86  
Data Rep. In. 7-1-86

-3-

**OFFICIAL**

- F. If IDPH's regular staffing become insufficient to conduct the number of timely surveys in accordance with requirements of I, A, 1-3 above, it shall immediately notify the Director of the Department of Public Aid in writing. Such notice shall include a proposed alternative plan to satisfactorily complete the Surveys. In the event that any alternative proposal requires IDPH to seek additional funding, IDPA agrees to assist IDPH in these efforts.
- II. Make the information and reports required under paragraph I A-F available to IDPA on a timely basis.
- A. Provide completed Medicare/Medicaid Certification and Transmittal (HCFA 1539) and necessary survey packet for each SNF, ICF and ICF/MR recommended for certification at least 45 days prior to expiration of the Medicaid/Provider agreement.
- B. Provide completed HCFA 1539 for each SNF, ICF and ICF/MR recommended for decertification within 20 days of determining a SNF is out of compliance with condition(s) of participation or an ICF is out of compliance with standard(s) which jeopardize the health, safety and welfare of a resident.
- C. Provide copy of the A violation, conditional license or license revocation, indicating date of the survey or effective date as appropriate.
- D. Copy IDPA on the final order concerning B & C above.
- E. Respond to referrals from IDPA staff concerning conditions which adversely affect the health, safety and welfare of Medicaid residents.
- III. Keep on file for a period of not less than five (5) years, all information and reports used in determining whether participating facilities meet Federal requirements for participation and will make the information and reports readily accessible to the Department of Health and Human Services (HHS) and IDPA as necessary for:
- A. Meeting other requirements under the State Plan; and
- B. Purposes consistent with IDPA's efficient administration of the Medicaid Program.
- IV. Designate a liaison and necessary support staff to provide designated IDPA staff with the information required by this agreement and provide technical assistance/interpretation on an as needed basis identified by the IDPA liaison to appropriate IDPA staff.

ILLINOIS DEPARTMENT OF PUBLIC AID SHALL:

- I. Take appropriate action on certification survey findings, transmitted by IDPH, for each SNF, ICF and ICF/MR as defined below:

86-13 9/15/86  
Amended 83-17 Date Appr. 10/16-86  
Date Rep. In. Date 7-1-86

# OFFICIAL

-4-

- A. Enroll as a Medicaid provider each facility certified as meeting program requirements by IDPH.
1. Central Office Health Facility Surveillance Nurse (HFSN) shall conduct a review of each HCFA 1539 and supporting packet for each facility.
  2. Prepare Field Office HFSN written narrative for each facility recommended for certification.
  3. Execute provider agreement prior to authorization of payments for care of Medicaid recipients.
  4. Renew provider agreement prior to expiration date of current certification period.
- B. Take action to disenroll as a Medicaid provider each facility not certified by IDPH as meeting program requirements.
1. Central Office HFSN shall conduct a review of each HCFA 1539 and supporting packet for each facility.
  2. Field Office HFSN shall prepare an evaluation for each facility.
  3. Inform facility of their ineligibility to participate in the Medicaid Program and offer facility a hearing.
  4. Monitor the hearing process. Such monitoring shall include various schedules, logs and reports.
  5. Forward to IDPH at least monthly a copy of schedules, logs and reports required in B 4 above.
  6. Request in writing to IDPH any additional surveys needed for the disenrollment process which are in addition to the annual and follow-up survey conducted by IDPH on a routine basis.
- II. Carry out the Inspection of Care Program (IOC) in accordance with 42 CFR 456, Subpart I, and 89 Illinois Administrative Code and Subpart F 140.850-140.885 and Subpart G 140.900-140.905.
- A. Establish and maintain (IOC) teams in accordance with 42 CFR 456.602 through 456.605.
1. No staff performing on-site inspections shall be employed by or have any financial interest in any long term care facility;
  2. No physician performing on-site inspection or consulting to the IOC team shall review the care of a medicaid resident for which he/she provides medical service.

HCFA-179 # 86-13 Date Rec'd 9-15-86  
Supersedes 83-17 Date Appr. 10-16-86  
To: 7-1-86

**OFFICIAL**  
-5-

- B. Ensure that the team coordinates on-site inspections with IDPH surveys for certification in accordance with the schedule required by:

42 CFR 456.606,  
89 Illinois Administrative Code 140.905, and  
89 Illinois Administrative Code 140.850-140.885 or specific section.

- C. Ensure that the team conducts an assessment of medical, nursing, restorative and psychosocial needs and complete an assessment form (DPA 2700/2701) for each medicaid resident as required by the schedule in II, B above in accordance with 42 CFR 456.609 - 456.610.

- D. The team must:

1. Determine whether existing services are adequate and necessary to meet the needs of Medicaid residents in accordance with acceptable professional standards and practices and are provided in the most appropriate setting to promote maximum physical, mental and psychological functioning.
2. Provide a copy of each resident assessment to the facility.
3. Review assessment findings with appropriate facility staff.
  - a. A physician consultant will review the care of individuals questioned by the on-site team;
  - b. An arbitrator will review the functional and/or service needs of individuals if the findings and observations of the inspection team are contested by the facility.
4. Maintain a copy of each assessment form in regional office files to:
  - a. Follow-up on corrective action and recommendations including needs of residents were previously noted as not being met.
  - b. Make forms accessible to IDPH staff conducting on-site licensure and certification surveys within five (5) working days of request.
5. Prepare a report Form DPA 2702, IOC Summary, of findings, observations and recommendations for each facility surveyed, pursuant to 42 CFR 456.611.
  - a. Provide a copy to the facility.
  - b. Review findings with appropriate facility staff.
  - c. Provide a copy of the report to the appropriate IDPH Regional LTC Supervisor within 30 days of completion.

179 # 86-13 Date Rec'd 9-15-86  
recedes 83-17 Date Appr. 10-16-86  
Date 7-1-86

# OFFICIAL

- E. Maintain a copy of each report in Central office files for at least three (3) years and in storage for an additional three (3) years.
- F. Submit a quarterly report to HCFA showing that an on-site inspection was carried out, as required, in each SNF, ICP, ICF/MR and Mental Hospital.
- G. Effect corrective actions recommendations and plans as needed based on reports and recommendations of the IOC teams as defined in II C above.
  - 1. The regional supervisor will report by telephone to IDPH through the Central Complaint Registry any (specific) conditions which jeopardize the health, safety and welfare of a resident(s).
    - a. Make report to Interagency Complaint Coordinator, IDPH.
    - b. Identify call as from BLTC, IDPA staff.
    - c. Prepare written report to Bureau Chief, IDPA.
  - 2. Establish a plan with facility staff to implement recommendations:
    - a. For adequate and necessary services; and
    - b. To meet needs of residents
  - 3. HFSN/Regional Supervisor monitors corrective action plans/recommendations to assure compliance.
    - a. Conduct follow-up on-site visit within 45 days.
    - b. Prepare written report of follow-up findings/compliance to Bureau Chief, IDPA.
  - 4. Submit copies of corrective action plans/recommendations and compliance reports to IDPH Regional LTC Supervisor on a timely basis.

### III. Carry out the Quality Incentive Payment program in accordance with 89 Illinois Administrative Code 140.525-140.529.

- A. Review IDPH and IDPA reports and/or facility documents to determine a facility's eligibility to participate in the QUIP program based on the following:
  - 1. No Type A violation.
  - 2. Current certification for Medicaid participation.

86-13 9-15-86  
83-17 Date Appr 10-16-86  
7-1-86



-7-

**OFFICIAL**

3. Current IDPH license.
  4. Meeting at least 92% of its residents needs.
  5. Provide an equal access admission policy.
- B. Conduct an on-site survey in each facility wishing to participate in the program at intervals established in accordance with 89 Illinois Administrative Code 140.528.
1. Record assessment data on prescribed forms including DPA 2693 Summary of Findings, relative to the following parts:
    - a. Structure and Environment
    - b. Resident Participation and Choice
    - c. Community and Family Participation
    - d. Resident Satisfaction
    - e. Effective Patient Care Management
  2. Review assessment findings with facility.
  3. Provide a copy of the assessment to the facility.
  4. Provide a copy of the assessment to the appropriate IDPH Regional LTC Supervisor within 45 days of the Exit Conference.
- C. Calculate facility's achievement and reimbursement rate.
- IV. Reimburse facilities based on IOC and QUIP assessment data.
- A. Calculate nursing/program rate for each facility based on Form DPA 2700 or 2701 data, at intervals in accordance with 89 Illinois Administrative Code 140.850-140.885 and 140.900-140.907.
  - B. Calculate QUIP rate for each facility based on Forms DPA 2693 data at intervals in accordance with 89 Illinois Administrative code 140.528
- V. Designate a liaison, and necessary support staff, to review and initiate the required action based on information and reports received from IDPH to:
- A. Enroll facilities for Medicaid participation.
  - B. Actively monitor non-renewal and termination disenrollment actions and coordinate same with IDPH liaison.
  - C. Determine eligibility for quality incentive payments.
  - D. Provide technical assistance/interpretation on an as needed basis identified by IDPH liaison, to appropriate IDPH staff.
- VI. Submit requests for Federal matching funds (FFP) to the Department of Health and Human Services and upon request report the amount of monies received to appropriate Federal and State agencies and routinely provide copies of reports to IDPH Office of Health Regulations.

Form 179 # 86-13 Date Rec'd 9-15-86  
Supercedes 83-17 Date Appr. 10-16-86  
To Be In Date 7-1-86

-8-

**OFFICIAL**

VII. Respond to requests for policy and procedures, reports, records, and documents which support the Department's compliance with Federal and State requirements for carrying out the responsibilities outlined in I through VI above.

This agreement, effective the last date below, replaces all previous agreements between the two Departments regarding utilization control, Quality Incentive Program and certification. Either Director may terminate this agreement upon written notice. The termination notice must include the termination date and must be received by the appropriate Director at least sixty days in advance of the termination date.

*Greg L. Miller*  
Director  
Department of Public Aid

Date *July 1, 1986*

*Bernard J. Turner MD*  
Director  
Department of Public Health

Date *June 13, 1986*

86-13 9-15-86  
83-17 Date Apr 10-16-86  
7-1-86